

Senate Amendment to  
House File 590

H-1754

1 Amend House File 590, as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. Page 1, line 2, by striking <IOWA PARTNERSHIP  
4 FOR ECONOMIC PROGRESS AND>  
5 2. Page 1, by striking lines 14 through 16 and  
6 inserting:  
7 <2. The collaboration shall involve the economic  
8 development authority and the Iowa innovation  
9 corporation, both of which shall work>  
10 3. Page 1, before line 23 by inserting:  
11 <01A. "*Business enterprise*" means a work or  
12 improvement located within the state, including but  
13 not limited to real property, buildings, equipment,  
14 furnishings, and any other real and personal property  
15 or any interest therein, financed, refinanced,  
16 acquired, owned, constructed, reconstructed, extended,  
17 rehabilitated, improved, or equipped, directly or  
18 indirectly, in whole or in part, by the authority or  
19 through loans made by it and which is designed and  
20 intended for the purpose of providing facilities for  
21 manufacturing, industrial, processing, warehousing,  
22 wholesale or retail commercial, recreational, hotel,  
23 office, research, business, or other related purposes,  
24 including but not limited to machinery and equipment  
25 deemed necessary or desirable for the operation  
26 thereof.>  
27 4. Page 1, lines 25 and 26, by striking <economic  
28 development> and inserting <Iowa innovation>  
29 5. Page 1, by striking lines 32 and 33.  
30 6. By striking page 2, line 10, through page 4,  
31 line 13.  
32 7. Page 4, line 22, after <a.> by inserting <(1)>  
33 8. Page 4, line 23, by striking <nine> and  
34 inserting <eleven>  
35 9. Page 4, line 26, by striking <(1)> and inserting  
36 <(a)>  
37 10. Page 4, by striking lines 27 through 30 and  
38 inserting <district in the state.>  
39 11. Page 4, line 31, by striking <(2) One member>  
40 and inserting <(b) Three members>  
41 12. Page 4, before line 32 by inserting:  
42 <(2) Of the voting members appointed pursuant  
43 to subparagraph (1), the governor shall appoint the  
44 following:  
45 (a) One person who is a member of the Iowa  
46 innovation council established in section 15.117A.  
47 (b) One person who has professional experience in  
48 finance, insurance, or investment banking.  
49 (c) One person who has professional experience in  
50 advanced manufacturing.

1 (d) One person with professional experience in  
2 small business development.

3 (e) One person with professional experience  
4 representing the interests of organized labor.

5 (f) Six persons who are actively employed in the  
6 private, for-profit sector of the economy or who  
7 otherwise have substantial expertise in economic  
8 development.

9 (3) The governor shall not appoint to the authority  
10 board any person who is either the spouse or a relative  
11 within the first degree of consanguinity of a serving  
12 member of the authority board or the board of directors  
13 of the corporation.>

14 13. Page 5, by striking lines 6 through 9 and  
15 inserting:

16 <c. (1) There shall be three ex officio, nonvoting  
17 members consisting of the following:

18 (a) The president of the state board of regents, or  
19 the president's designee.

20 (b) One person, selected by the Iowa association  
21 of independent colleges and universities, who is the  
22 president of a private college or university in the  
23 state, or that person's designee.

24 (c) One person, selected by the Iowa association of  
25 community college presidents, who is the president of a  
26 community college, or that person's designee.

27 (2) A person serving as a designee pursuant to  
28 subparagraph (1) shall serve a one-year term as an ex  
29 officio member of the authority board.>

30 14. Page 5, by striking lines 20 through 27 and  
31 inserting:

32 <3. a. Seven voting members of the authority  
33 constitute a quorum.

34 b. The affirmative vote of a majority of the  
35 quorum described in paragraph "a" is necessary for any  
36 action taken by the authority. The majority shall not  
37 include any member who has a conflict of interest and a  
38 statement by a member of a conflict of interest shall  
39 be conclusive for this purpose.

40 c. A vacancy in the membership does not impair the  
41 right of a quorum to exercise all rights and perform  
42 all duties of the authority.>

43 15. Page 6, before line 5 by inserting:

44 <7A. a. The members of the authority shall develop  
45 a strategic plan for economic development in the state.

46 b. (1) The strategic plan shall identify the  
47 authority's goals for the next calendar year and shall  
48 include a set of metrics that will be used to gauge and  
49 assess the extent to which the authority achieves those  
50 goals. Such metrics shall include, but are not limited

1 to:  
2 (a) The number of net new jobs created in the  
3 state.  
4 (b) The average wage and benefit levels for such  
5 jobs.  
6 (c) The impact to average household income for Iowa  
7 families as a result of the jobs created.  
8 (d) Such other information as the authority or the  
9 director deems relevant.  
10 (2) The strategic plan shall be submitted to the  
11 general assembly and the governor's office on or before  
12 January 31 of each year.>  
13 16. Page 6, line 35, by striking <other than>  
14 17. Page 7, line 1, by striking <the director of  
15 the authority>  
16 18. Page 10, before line 13 by inserting:  
17 <r. Issue negotiable bonds and notes as provided in  
18 section 15.106D.>  
19 19. Page 10, by striking lines 24 through 29.  
20 20. Page 11, line 2, by striking <issues identified  
21 by the partnership> and inserting <strategic plan  
22 developed by the members of the authority>  
23 21. Page 11, by striking lines 21 through 25 and  
24 inserting:  
25 <(e) Consulting services.  
26 (f) Services related to statewide commercialization  
27 development as provided for in section 15.411,  
28 subsection 2.>  
29 22. Page 12, before line 7 by inserting:  
30 <(5) A contract executed pursuant to this paragraph  
31 "d" shall be drafted and executed with the assistance  
32 and advice of the attorney general.>  
33 23. Page 12, before line 12 by inserting:  
34 <4. a. If the authority enters into a contract,  
35 including but not limited to a contract executed  
36 pursuant to subsection 2, paragraph "d", with a  
37 nonprofit corporation organized under chapter 504 or  
38 under the similar laws of another jurisdiction, the  
39 authority shall ensure that the terms of the contract  
40 shall provide for the disclosure of all gifts, grants,  
41 bequests, donations, or other conveyances of financial  
42 assistance to the corporation from all private  
43 and public sources. Such disclosure shall include  
44 information from the corporation's current fiscal  
45 year and its most recent three fiscal years and shall  
46 include the name and address of the person or entity  
47 making the conveyance and the amount.  
48 b. If the authority enters into a contract for  
49 the provision of financial assistance to a business,  
50 the authority shall ensure that the terms of the

1 contract provide for the disclosure of all donations  
2 the business has ever made to the corporation. The  
3 authority shall not consider the amount or frequency  
4 of such donations when evaluating the merits of the  
5 business's application or when determining the amount  
6 of financial assistance to be awarded to the business.  
7 c. The authority shall not enter into a contract  
8 for services, including a contract executed pursuant  
9 to subsection 2, paragraph "d", that exceeds two years  
10 in duration.>

11 24. Page 12, by striking lines 13 through 17 and  
12 inserting:

13 <1. The operations of the authority shall be  
14 administered by a director who shall be appointed by  
15 the governor, subject to confirmation by the senate,  
16 and who shall serve for a four-year term beginning and  
17 ending as provided in section 69.19. An appointment  
18 by the governor to fill a vacancy in the office of the  
19 director shall be for the balance of the unexpired  
20 four-year term.>

21 25. Page 12, by striking lines 27 through 31.

22 26. Page 13, after line 9 by inserting:

23 <\_. a. The director may create organizational  
24 divisions within the authority in the manner the  
25 director deems most efficient to carry out the duties  
26 and responsibilities of the department.

27 b. In structuring the authority, the director shall  
28 create a small business development division and ensure  
29 that the division focuses administrative efforts,  
30 program resources, and financial assistance awards on  
31 small businesses.

32 c. (1) On or before September 15, 2011, the  
33 authority shall submit a report to the governor and  
34 the general assembly assessing the extent to which  
35 each of the authority's programs can be used to  
36 provide assistance to small businesses and making  
37 recommendations for legislative changes to such  
38 programs in order to better and more intensively focus  
39 economic development efforts on such small businesses.  
40 The report shall also address the extent to which the  
41 authority's programs address local economic development  
42 needs and efforts.

43 (2) This paragraph "c" is repealed on June 30,  
44 2012.>

45 27. Page 13, after line 9 by inserting:

46 <Sec. \_\_\_\_\_. **NEW SECTION. 15.106D Private activity**  
47 **bonds and notes.**

48 1. The authority may issue its negotiable bonds  
49 and notes in principal amounts as, in the opinion  
50 of the authority, are necessary to finance the cost

1 of business enterprises, to finance the working  
2 capital needs of businesses, to refinance existing  
3 indebtedness incurred for any of the foregoing purposes  
4 or any combination of the foregoing, the payment of  
5 interest on its bonds and notes, the establishment  
6 of reserves to secure its bonds and notes, and all  
7 other expenditures of the authority incident to and  
8 necessary or convenient to carry out the purposes of  
9 this section. The bonds and notes shall be deemed to  
10 be investment securities and negotiable instruments  
11 within the meaning of and for all purposes of the  
12 uniform commercial code, chapter 554.

13 2. All bonds issued by the authority shall be  
14 limited obligations of the authority. The principal of  
15 and interest on such bonds shall be payable solely out  
16 of the revenues derived from the business enterprise to  
17 be financed by the bonds so issued under the provisions  
18 of this section. Bonds and interest coupons issued  
19 under authority of this section shall not constitute an  
20 indebtedness of the authority within the meaning of any  
21 state constitutional provision or statutory limitation,  
22 and shall not constitute nor give rise to a pecuniary  
23 liability of the authority or a charge against its  
24 general credit. Bonds or notes are not an obligation  
25 of this state or any political subdivision of this  
26 state, other than the authority, within the meaning of  
27 any constitutional or statutory debt limitations, but  
28 are special obligations of the authority payable solely  
29 and only from the sources provided in this section,  
30 and the authority may not pledge the credit or taxing  
31 power of this state or any political subdivision of  
32 this state, other than the authority, or make its debts  
33 payable out of any moneys except as provided in this  
34 section.

35 3. Bonds and notes must be authorized by a  
36 resolution of the authority. However, a resolution  
37 authorizing the issuance of bonds or notes may delegate  
38 to an officer of the authority the power to negotiate  
39 and fix the details of an issue of bonds or notes by an  
40 appropriate certificate of such authorized officer.

41 4. Bonds shall:

42 a. State the date and series of the issue, be  
43 consecutively numbered, and state on their face that  
44 they are payable both as to principal and interest  
45 solely out of the revenues derived from the business  
46 enterprise to be financed by the bonds so issued under  
47 the provisions of this section, constitute special  
48 obligations of the authority, and do not constitute  
49 an indebtedness of the authority, this state, or any  
50 political subdivision of this state within the meaning

1 of any constitutional or statutory debt limit.

2     *b.* Be either registered, registered as to principal  
3 only, or in coupon form, issued in denominations as  
4 the authority prescribes, fully negotiable instruments  
5 under the laws of this state, signed on behalf of the  
6 authority with the manual or facsimile signature of the  
7 chairperson or vice chairperson, attested by the manual  
8 or facsimile signature of the secretary, have impressed  
9 or imprinted thereon the seal of the authority or a  
10 facsimile of the seal of the authority, and the coupons  
11 attached shall be signed with the facsimile signature  
12 of the chairperson or vice chairperson, be payable as  
13 to interest at rates and at times as the authority  
14 determines, be payable as to principal at times over  
15 a period not to exceed fifty years from the date of  
16 issuance.

17     5. The authority may issue its bonds for the  
18 purpose of refunding any bonds or notes of the  
19 authority then outstanding, including the payment  
20 of any redemption premiums thereon and any interest  
21 accrued or to accrue to the date of redemption of the  
22 outstanding bonds or notes. Until the proceeds of  
23 bonds issued for the purpose of refunding outstanding  
24 bonds or notes are applied to the purchase or  
25 retirement of outstanding bonds or notes or the  
26 redemption of outstanding bonds or notes, the proceeds  
27 may be placed in escrow and be invested and reinvested  
28 in accordance with the provisions of this chapter. The  
29 interest, income, and profits earned or realized on an  
30 investment may also be applied to the payment of the  
31 outstanding bonds or notes to be refunded by purchase,  
32 retirement, or redemption. After the terms of the  
33 escrow have been fully satisfied and carried out, any  
34 balance of proceeds and interest earned or realized  
35 on the investments may be returned to the authority  
36 for use by it in any lawful manner. All refunding  
37 bonds shall be issued and secured and subject to the  
38 provisions of this section in the same manner and to  
39 the same extent as other bonds issued pursuant to this  
40 section.

41     6. The authority may issue negotiable bond  
42 anticipation notes and may renew them from time to  
43 time, but the maximum maturity of the notes, including  
44 renewals, shall not exceed ten years from the date  
45 of issue of the original notes. Notes are payable  
46 solely out of the revenues derived from the business  
47 enterprise to be financed by the notes so issued under  
48 the provisions of this section, or from the proceeds  
49 of the sale of bonds of the authority in anticipation  
50 of which the notes were issued. Notes shall be

1 issued in the same manner and for the same purposes as  
2 bonds. Notes and the resolutions authorizing them may  
3 contain any provisions, conditions, or limitations, not  
4 inconsistent with the provisions of this subsection,  
5 which the bonds or a bond resolution of the authority  
6 may contain. Notes may be sold at public or private  
7 sale. In case of default on its notes or violation of  
8 any obligations of the authority to the noteholders,  
9 the noteholders shall have all the remedies provided in  
10 the resolution authorizing their issuance. Notes shall  
11 be as fully negotiable as bonds of the authority.

12 7. It is the intent of the general assembly that a  
13 pledge made in respect of bonds or notes shall be valid  
14 and binding from the time the pledge is made, that the  
15 money or property so pledged and received after the  
16 pledge by the authority shall immediately be subject  
17 to the lien of the pledge without physical delivery or  
18 further act, and that the lien of the pledge shall be  
19 valid and binding as against all parties having claims  
20 of any kind in tort, contract, or otherwise against the  
21 authority whether or not the parties have notice of the  
22 lien. Neither the resolution, trust agreement, nor any  
23 other instrument by which a pledge is created needs to  
24 be recorded or filed under the Iowa uniform commercial  
25 code, chapter 554, to be valid, binding, or effective  
26 against the parties.

27 8. Neither the members of the authority nor any  
28 person executing its bonds, notes, or other obligations  
29 shall be liable personally on the bonds, notes,  
30 or other obligations or be subject to any personal  
31 liability or accountability by reason of the issuance  
32 of the authority's bonds or notes.>

33 28. Page 13, by striking lines 10 through 14.

34 29. Page 13, line 22, by striking <Economic  
35 development> and inserting <Iowa innovation>

36 30. Page 13, line 23, by striking <economic  
37 development> and inserting <Iowa innovation>

38 31. Page 14, by striking lines 28 through 33 and  
39 inserting:

40 <a. A board of directors to govern the corporation.

41 (1) The board of directors shall initially be  
42 comprised of seven members appointed by the governor to  
43 concurrent terms of four years. Two of such members  
44 shall be subject to confirmation by the senate.

45 (2) For appointments subsequent to the initial  
46 appointments pursuant to subparagraph (1), two of the  
47 members shall be appointed by the governor, subject to  
48 confirmation by the senate, to staggered terms of four  
49 years each, and the remaining five members shall be  
50 selected by a majority vote of the board of directors

1 of the corporation for terms the length of which shall  
2 be provided in the articles of the corporation.

3 (3) The governor and the board of directors of the  
4 corporation shall not appoint or select any person who  
5 is either the spouse or a relative within the first  
6 degree of consanguinity of a serving member of the  
7 board of directors or of the authority board.>

8 32. Page 15, by striking lines 17 and 18 and  
9 inserting <direction, implement the applicable portions  
10 of the strategic plan developed by members of the  
11 authority pursuant to section 15.105.>

12 33. Page 15, by striking lines 23 through 28.

13 34. Page 16, by striking lines 14 through 17 and  
14 inserting:

15 <c. Perform any functions delegated by the  
16 authority pursuant to section 15.106B, subsection 2,  
17 paragraph "d".

18 (1) In performing such functions, the corporation  
19 shall not subcontract the performance of a delegated  
20 function except as provided in subparagraph (2).

21 (2) The corporation may subcontract services under  
22 the following conditions:

23 (a) The services are necessary to accomplish the  
24 functions delegated to the corporation.

25 (b) The contract delegating the function contains a  
26 list of the services that may be subcontracted pursuant  
27 to this subparagraph (2).

28 (c) The contract delegating the function requires  
29 that any agreement to subcontract a service must be  
30 approved by the authority prior to the execution of  
31 such an agreement by the corporation.>

32 35. Page 18, before line 8 by inserting:

33 <e. An assessment of economic development efforts  
34 in the state as measured by the goals and metrics  
35 contained in the strategic plan developed by the  
36 members of the authority pursuant to section 15.105.>

37 36. Page 18, line 24, after <certified public  
38 accountant> by inserting <in accordance with generally  
39 accepted accounting principles>

40 37. Page 19, by striking lines 6 and 7.

41 38. Page 19, by striking lines 15 and 16.

42 39. Page 19, before line 17 by inserting:

43 <Sec. \_\_\_\_\_. AUTHORITY MERGER STUDY. The economic  
44 development authority and the Iowa finance authority  
45 shall study the issue of merging the two authorities  
46 into a single authority. The authorities shall prepare  
47 a report analyzing the advantages and disadvantages  
48 of such a merger and assessing whether such a merger  
49 is feasible. The authorities shall submit the report  
50 to the governor and the general assembly on or before



1 December 1, 2011.>  
2 40. Page 19, line 28, after <latter.> by inserting  
3 <If an employee of the department is an employee  
4 covered under the collective bargaining provisions of  
5 chapter 20, then that employee shall also be covered  
6 under chapter 20 upon employment with the authority.>  
7 41. By striking page 19, line 35, through page 20,  
8 line 2, and inserting <for purposes of chapter 97B.>  
9 42. Page 20, before line 3 by inserting:  
10 <4. Notwithstanding any provisions to the contrary  
11 in chapter 68B or in this Act, and subject to the  
12 approval of the director of the economic development  
13 authority, the corporation established pursuant to  
14 section 15.107 may employ not more than two individuals  
15 who were employed by the department of economic  
16 development on or before November 1, 2010.>  
17 43. Page 20, after line 30 by inserting:  
18 <Sec. \_\_\_\_\_. ECONOMIC DEVELOPMENT AUTHORITY BOARD —  
19 TRANSITION PROVISION. Notwithstanding any provision  
20 of section 15.105, as amended by this Act, to the  
21 contrary, the initial board of the economic development  
22 authority shall consist of the members of the Iowa  
23 economic development board serving on the effective  
24 date of this Act and eight voting members of the  
25 initial board shall constitute a quorum. Said board  
26 members shall serve as members and fulfill the duties  
27 of the economic development authority board as created  
28 by this Act until such time as members of the economic  
29 development authority board are appointed as provided  
30 by section 15.105, as amended by this Act.>  
31 44. Page 21, after line 11 by inserting:  
32 <Sec. \_\_\_\_\_. Section 15E.52, subsection 7, paragraph  
33 a, if enacted by 2011 Iowa Acts, Senate File 517, is  
34 amended to read as follows:  
35 a. The fund is organized for the purposes of making  
36 investments in promising early-stage companies which  
37 have a principal place of business in the state and for  
38 ~~using the profits from such investments to fund further~~  
39 ~~investments.~~>  
40 45. Page 23, by striking lines 6 through 15.  
41 46. Page 23, before line 25 by inserting:  
42 <Sec. \_\_\_\_\_. Section 476C.1, subsection 6, paragraph  
43 f, as enacted by 2011 Iowa Acts, House File 672,  
44 section 4, is amended to read as follows:  
45 f. For applications filed on or after July 1, 2011,  
46 except for wind energy conversion facilities, is a  
47 facility of no greater than ~~five~~ sixty megawatts of  
48 nameplate generating capacity or the energy production  
49 capacity equivalent.  
50 Sec. \_\_\_\_\_. Section 476C.3, subsection 4, paragraph

1 b, as enacted by 2011 Iowa Acts, House File 672,  
2 section 9, is amended to read as follows:  
3 b. The maximum amount of energy production capacity  
4 equivalent of all other facilities the board may find  
5 eligible under this chapter shall not exceed a combined  
6 output of fifty-three megawatts of nameplate generating  
7 capacity and one hundred sixty-seven billion British  
8 thermal units of heat for a commercial purpose. Of  
9 the maximum amount of energy production capacity  
10 equivalent of all other facilities found eligible  
11 under this chapter, no more than ten megawatts of  
12 nameplate generating capacity or energy production  
13 capacity equivalent shall be allocated to any one  
14 facility.Of the maximum amount of energy production  
15 capacity equivalent of all other facilities found  
16 eligible under this chapter, fifty-five billion British  
17 thermal units of heat for a commercial purpose shall  
18 be reserved for an eligible facility that is a refuse  
19 conversion facility for processed, engineered fuel from  
20 a multicounty solid waste management planning area.  
21 The maximum amount of energy production capacity the  
22 board may find eligible for a single refuse conversion  
23 facility is fifty-five billion British thermal units of  
24 heat for a commercial purpose. Of the maximum amount  
25 of energy production capacity equivalent of all other  
26 facilities found eligible under this chapter, an amount  
27 equivalent to ten megawatts of nameplate generating  
28 capacity shall be reserved for eligible renewable  
29 energy facilities incorporated within or associated  
30 with an ethanol cogeneration plant engaged in the  
31 sale of ethanol to states to meet a low carbon fuel  
32 standard.>

33 47. Page 23, after line 25 by inserting:  
34 <Sec. \_\_\_\_\_. RETROACTIVE APPLICABILITY. The  
35 following provision or provisions of this division of  
36 this Act apply retroactively to January 1, 2011, for  
37 tax years beginning and investments made on or after  
38 that date:

39 1. The section of this Act amending section  
40 15E.52.>

41 48. Page 26, line 2, after <purposes.> by inserting  
42 <The board, as defined by section 15.102, may allocate  
43 an amount of repayments and recaptures for purposes of  
44 financial assistance or administrative costs of the  
45 economic development authority.>

46 49. Page 26, before line 19 by inserting:

47 <5. If an employee of the office of energy  
48 independence is an employee covered under the  
49 collective bargaining provisions of chapter 20, then  
50 that employee shall also be covered under chapter 20

1 for purposes of employment with the authority.>  
2 50. Page 36, after line 11 by inserting:  
3 <DIVISION VI  
4 CONDITIONAL EFFECTIVE DATE AND RETROACTIVE  
5 APPLICABILITY  
6 Sec. \_\_\_\_\_. EFFECTIVE DATE AND RETROACTIVE  
7 APPLICABILITY. Unless otherwise provided, this Act,  
8 if approved by the governor on or after July 1, 2011,  
9 takes effect upon enactment and applies retroactively  
10 to July 1, 2011.>  
11 51. By renumbering, redesignating, and correcting  
12 internal references as necessary.